



Marisa F. Antonelli [mantonelli@velaw.com](mailto:mantonelli@velaw.com)  
Tel +1.212.237.0151 Fax +1.917.849.5396

November 20, 2023

**Via ECF**

Hon. Ronnie Abrams  
United States District Court  
Southern District of New York  
Thurgood Marshall Courthouse  
40 Foley Square  
New York, NY 10007

**Re: In re Stronghold Digital Mining, Inc. Stockholder Derivative Litigation, Case No. 1:23-cv-7840-RA**

Dear Judge Abrams:

Enclosed please find a Stipulation and Proposed Order by and between plaintiffs Tom Wilson, Christian Navarro (collectively, “Plaintiffs”), Gregory A. Beard, William B. Spence, Sarah P. James, Thomas J. Pacchia, Matthew J. Smith, Thomas R. Trowbridge, IV, and Ricardo R. A. Larroudé (the “Individual Defendants”) and nominal defendant Stronghold Digital Mining, Inc. (“Stronghold,” and together with the Individual Defendants, “Defendants”), requesting that this consolidated action be stayed pending a ruling on a motion for class certification in *Mark Winter v. Stronghold Digital Mining, Inc., et al.*, Case No. 1:22-cv-03088-RA.

Pursuant to Rule 1(D) of this Court’s Individual Rules and Practices in Civil Cases, the parties note that the Stipulation and Proposed Order contemplates a stay of all deadlines in the above-captioned case, inclusive of the Defendants’ deadlines to answer the complaint filed in *Wilson v. Beard, et al.*, Case No. 1:23-cv-7840-RA (the “Wilson Complaint”) and the complaint filed in *Navarro v. Beard, et al.*, Case No. 1:23-cv-8174 (consolidated into this action on October 24, 2023), which deadlines are currently set for November 21, 2023 and December 5, 2023, respectively.

The parties previously stipulated to, and the Court granted, an extension of time to respond to the Wilson Complaint. The parties have not requested any other adjournment or extension of time in this consolidated action.

The parties respectfully request that the Court enter the Stipulation and Proposed Order.



Respectfully submitted,

THE BROWN LAW FIRM, P.C.

/s/ Timothy Brown  
Timothy Brown  
The Brown Law Firm, P.C.  
767 Third Avenue  
Suite 2501  
New York, NY 10017  
Telephone: (516) 922-5427  
Facsimile: (516) 344-6204  
Email: tbrown@thebrownlawfirm.net

BRONSTEIN, GEWIRTZ & GROSSMAN, LLC

Peretz Bronstein  
Eitan Kimelman  
60 East 42nd Street, Suite 4600  
New York, NY 10165  
Telephone: (212) 697-6484  
Facsimile: (212) 697-7296  
Email: peretz@bgandg.com  
Email: eitank@bgandg.com

*Attorneys for Plaintiff Wilson*

LIFSHITZ LAW PLLC

/s/ Joshua M. Lifshitz  
Joshua M. Lifshitz  
1190 Broadway  
Hewlett, New York 11557  
Telephone: (516) 493-9780  
Facsimile: (516) 280-7376  
Email: jlifshitz@lifshitzlaw.com

*Attorneys for Plaintiff Navarro*

VINSON & ELKINS LLP

/s/ Marisa Antonelli  
Clifford Thau  
Marisa Antonelli  
1114 Avenue of Americas  
New York, NY 10036  
Telephone: (212) 237-0000  
Facsimile: (212) 237-0100  
Email: cthau@velaw.com  
Email: mantonelli@velaw.com

Jeffrey Crough  
2001 Ross Avenue  
Suite 3900  
Dallas, TX 75201  
Telephone: (214) 220-7700  
Facsimile: (214) 220-7716  
Email: jcrough@velaw.com

*Attorney for Defendants Gregory A. Beard,  
William B. Spence, Sarah P. James, Thomas J.  
Pacchia, Matthew J. Smith, and Thomas R.  
Trowbridge, IV and Nominal Defendant  
Stronghold*

FAEGRE DRINKER BIDDLE & REATH LLP

/s/ Sandra D. Grannum  
Sandra D. Grannum  
1177 Avenue of the Americas  
41st Floor  
New York, NY 10036-2714  
Telephone: (212) 248-3140  
Email: Sandra.grannum@faegredrinker.com

*Attorney for Defendant Ricardo R. A. Larroude*

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE STRONGHOLD DIGITAL MINING,  
INC. STOCKHOLDER DERIVATIVE  
LITIGATION

Case No. 1:23-cv-7840-RA  
[rel. 1:22-cv-03088]

**STIPULATION AND ~~PROPOSED~~ ORDER TO STAY DERIVATIVE ACTIONS**

Plaintiffs Tom Wilson (“Wilson”), Christian Navarro (“Navarro,” and together with Wilson, “Plaintiffs”), who bring claims derivatively on behalf of nominal defendant Stronghold Digital Mining (“Stronghold”) against Gregory A. Beard, William B. Spence, Sarah P. James, Thomas J. Pacchia, Matthew J. Smith, and Thomas R. Trowbridge, IV, and Ricardo R. A. Larroudé (the “Individual Defendants” and together with Stronghold, “Defendants”) by and through their respective counsel, hereby stipulate to the following:

WHEREAS, on September 5, 2023, Plaintiff Wilson filed an action in this Court captioned *Wilson v. Beard, et al.*, Case No. 1:23-cv-7840-RA (the “Wilson Derivative Action”), on behalf of Stronghold, against the Individual Defendants (the “Wilson Complaint”);

WHEREAS, on September 15, 2023, Plaintiff Navarro filed an action in this Court captioned *Navarro v. Beard, et al.*, Case No. 1:23-cv-8174 (the “Navarro Derivative Action”), on behalf of Nominal Defendant Stronghold, against the Individual Defendants (the “Navarro Complaint”);

WHEREAS, on September 13, 2023, Wilson effected service of his Summons and Complaint upon Stronghold;

WHEREAS, the Individual Defendants have agreed to accept service of the Wilson Complaint, and Stronghold and the Individual Defendants have agreed to accept service of the Navarro Complaint;

WHEREAS, the deadline for Stronghold and the Individual Defendants to answer, move, or otherwise respond to the Wilson Complaint is November 21, 2023, *see* Dkt. No. 9, and the deadline for Stronghold and the Individual Defendants to answer, move or otherwise respond to the Navarro Complaint is December 5, 2023, *see* Navarro Derivative Action, Dkt. Nos. 5-11;

WHEREAS, on October 24, 2023, the Court consolidated the Wilson Derivative Action and the Navarro Derivative Action for all purposes under Lead Case No. 1:23-cv-07840-RA (the “Consolidated Derivative Action”). *See* Dkt. No. 12;

WHEREAS, there is currently pending in this Court a purported securities class action filed on April 14, 2022, styled *Mark Winter v. Stronghold Digital Mining, Inc., et al.*, Case No. 1:22-cv-03088-RA (the “Securities Class Action”);

WHEREAS, on October 18, 2022, an amended complaint was filed in the Securities Class Action;

WHEREAS, on September 7, 2023, the Court in the Securities Class Action entered a Case Management Plan and Scheduling Order that contemplates the completion of all briefing on the plaintiffs’ forthcoming motion for class certification by August 19, 2024;

WHEREAS, the Securities Class Action and the Consolidated Derivative Action contain overlapping allegations and defendants; and

WHEREAS, in light of the similarities between the Consolidated Derivative Action and the Securities Class Action, and in light of the ongoing discovery and forthcoming class certification proceedings in the Securities Class Action, to conserve the parties' and judicial resources and to promote "the just, speedy, and inexpensive determination of [this] action," Fed. R. Civ. P. 1, the Plaintiffs and Defendants (collectively, the "Parties") agree that all proceedings and deadlines in the Consolidated Derivative Action, including discovery and Defendants' obligation to move, answer, or otherwise respond to the Wilson Complaint or the Navarro Complaint, should be stayed pending resolution of the forthcoming motion for class certification in the Securities Class Action;

IT IS HEREBY STIPULATED AND AGREED, by and between the attorneys for the undersigned parties to the Consolidated Derivative Action, as follows:

1. The Consolidated Derivative Action shall be stayed until the entry of an order ruling on the motion for class certification in the Securities Class Action, as the stay will promote the efficient and orderly administration of justice by coordinating the Consolidated Derivative Action with the Securities Class Action;
2. During the pendency of this stay, Defendants shall promptly notify Plaintiffs of any related derivative lawsuits or threatened derivative lawsuits that they become aware of;
3. During the pendency of this stay, Defendants shall promptly notify Plaintiffs if any related derivative lawsuit is not stayed for a similar or longer duration;
4. During the pendency of this stay, if any purported plaintiff files a related derivative lawsuit, Plaintiffs may lift the agreed stay upon 30-days' notice to Defendants in writing;
5. During the pendency of this stay, Plaintiffs may file a consolidated complaint and Plaintiffs may file an amended consolidated complaint; however, Defendants need not answer,

move, or otherwise respond to any consolidated complaint or amended consolidated complaint during the pendency of the stay;

6. During the pendency of this stay, Defendants shall provide Plaintiffs with reasonable advance notice of, and shall permit Plaintiffs' participation in, any planned mediation with Plaintiffs in the Securities Action and/or any related derivative actions or threatened derivative actions. In the event that Defendants are unable for any reason to include Plaintiffs in the mediation with plaintiff in the Securities Action, then Defendants agree to mediate with Plaintiffs in the Derivative Action at or about the same time.

7. During the pendency of the stay, within 10 days of Defendants and Plaintiffs entering in an appropriate confidentiality agreement, Defendants will provide Plaintiffs with copies of documents that Defendants produce in the Securities Action, transcripts of depositions taken in the Securities Action, marked exhibits to such transcripts, and copies of discovery requests and responses made in the Securities Action, and the confidentiality agreement shall permit Plaintiffs to use the same in the Consolidated Derivative Action.

8. If during the pendency of the stay, Stronghold makes a production of documents in response to a books-and-records demand arising out of the same transactions or occurrences alleged in the Consolidated Derivative Action (a "Books-and-Records Production"), then Stronghold shall promptly notify Plaintiffs of such production and, subject to Stronghold and Plaintiffs entering in an appropriate confidentiality agreement, shall provide Plaintiffs with a copy of such Books-and-Records Production within 10 days of entering into such a confidentiality agreement that permits Plaintiffs to use the Books-and-Records Production in the Consolidated Derivative Action. By making such production, Defendants shall not waive any objection to the

use of any produced document (a) at trial in the Consolidated Derivative Action, or (b) as an exhibit to any motion or application to the court in the Consolidated Derivative Action;

9. This stay and stipulation is without waiver or prejudice to any and all claims, defenses, arguments, motions or any requests for other relief that would otherwise be available to the Parties in the Consolidated Derivative Action, including without limitation as relates to seeking to extend this stay either by agreement or motion;

10. Within 15 days after this stay of proceedings is lifted, the Parties shall meet and confer and submit a proposed scheduling order governing further proceedings in the Consolidated Derivative Action, including the date by which Defendants must answer, move, or otherwise plead, and the date for a case management conference;

11. All hearings or conferences currently scheduled shall be postponed until the date and time that will be specified in the proposed scheduling order to be submitted by the Parties following expiration of this stay, or as otherwise set by the Court.

WHEREFORE, the Parties respectfully request that the Court enter an Order to this effect.

Dated: November 20, 2023

Respectfully submitted,

THE BROWN LAW FIRM, P.C.

VINSON & ELKINS LLP

/s/ Timothy Brown

Timothy Brown  
Saadia Hashmi  
The Brown Law Firm, P.C.  
767 Third Avenue  
Suite 2501  
New York, NY 10017  
Telephone: (516) 922-5427  
Facsimile: (516) 344-6204  
Email: tbrown@thebrownlawfirm.net  
Email: shashmi@thebrownlawfirm.net

*Co-Lead Counsel for Derivative Plaintiffs  
And Attorneys for Plaintiff Wilson*

BRONSTEIN, GEWIRTZ & GROSSMAN, LLC

Peretz Bronstein  
Eitan Kimelman  
60 East 42nd Street, Suite 4600  
New York, NY 10165  
Telephone: (212) 697-6484  
Facsimile: (212) 697-7296  
Email: peretz@bgandg.com  
Email: eitank@bgandg.com

*Attorneys for Plaintiff Wilson*

/s/ Marisa Antonelli

Clifford Thau  
Marisa Antonelli  
1114 Avenue of Americas  
New York, NY 10036  
Telephone: (212) 237-0000  
Facsimile: (212) 237-0100  
Email: cthau@velaw.com  
Email: mantonelli@velaw.com

Jeffrey Crough  
2001 Ross Avenue  
Suite 3900  
Dallas, TX 75201  
Telephone: (214) 220-7700  
Facsimile: (214) 220-7716  
Email: jcrough@velaw.com

*Attorney for Defendants Gregory A. Beard,  
William B. Spence, Sarah P. James, Thomas J.  
Pacchia, Matthew J. Smith, and Thomas R.  
Trowbridge, IV and Nominal Defendant  
Stronghold*



LIFSHITZ LAW PLLC

/s/ Joshua M. Lifshitz

Joshua M. Lifshitz  
1190 Broadway  
Hewlett, New York 11557  
Telephone: (516) 493-9780  
Facsimile: (516) 280-7376  
Email: jlifshitz@lifshitzlaw.com

*Co-Lead Counsel for Derivative Plaintiffs  
And Attorneys for Plaintiff Navarro*

FAEGRE DRINKER BIDDLE & REATH LLP

/s/ Sandra D. Grannum


Sandra D. Grannum  
1177 Avenue of the Americas  
41<sup>st</sup> Floor  
New York, NY 10036-2714  
Telephone: (212) 248-3140  
Email: Sandra.grannum@faegredrinker.com

*Attorney for Defendant Ricardo R. A. Larroudé*

**~~[PROPOSED]~~ ORDER**

Pursuant to the foregoing stipulation between the Parties, **IT IS SO ORDERED.**

Dated: November 21, 2023



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Hon. Ronnie Abrams